



December 6, 2002

M/019/005
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Doug Jensen
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DIV. OF OIL, GAS & MINING

Dear Doug,

Thank you for your time and input associated with our November 7, 2002 meeting at your office regarding the Moab Salt site. As per our discussions I believe that we have charted a course to systematically address the Reclamation Bond calculation for the Cane Creek Mine (M/019/005) located in Grand County, Utah. We are currently working on the detailed reclamation plan for the subject property which will allow us to calculate associated cost factors for use in bonding assignment. It is our goal to provide sufficient detail in both the reclamation design and costing to allow you to complete an independent review of all facets of the proposed approach. It is our intent to incorporate your involvement in early / interim aspects of our efforts both to solicit your input and develop consensus as we proceed to a final Notice of Intent to Revise the Reclamation Plan / Bond.

In earlier correspondence dated October 18, 2002, we requested a meeting with your office on December 10, 2000 to review our proposed reclamation / bonding approach. Based on the amount of work which needs to be completed to support our efforts, the December 10 date appears to be premature in terms of providing enough specific information to gain consensus at that time. We would prefer to move the meeting back to late January and work with you directly in the interim period to continually focus the reclamation approach so that the January meeting can be the final input component for the Reclamation Plan Revision.

We are in the process of conducting the Baseline Vegetation Study. As per our discussions and subsequent conversations between yourself and Rick Klein of Moab Salt and the vegetation specialists (our consultant and the DNR resource person), the baseline work is scheduled to be completed in early December. We will also conduct an evaluation of reclamation of the saline impacted soil areas. As study plots and methodologies are contemplated we will seek your input. I plan to travel to Moab during the vegetation work and will stop by your office to provide an update of our progress (I will contact you when our schedule is firmed up to check your availability).

We appreciate your efforts during the Reclamation Plan Revision / Bond Calculation process and I look forward to your continued input and constructive resolution to development of the final bond figure. Should you have any questions or require additional information I am available via phone at (208) 894-4572 or e-mail at rschowengerdt@salmoncountry.net or would gladly meet at your office at your discretion.

Regards,

A handwritten signature in blue ink that reads 'R. Schowengerdt'.

Richard Schowengerdt
ENVIROGEN Inc
Principal Environmental Engineer
Principal Hydrogeologist